

EXHIBIT O



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Pair VZ.VOD

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Max,

All the point, I think it is the right time to reconsider the AT&T and Vodafone pair. As I pointed out previously, the positions of the companies strongly depend on the markets they operate in, and the situation in US still looks brighter, than in Europe. However, AT&T stock price has significantly increased for such a big company with a low volatility, so it makes it hard to bet on further growth. But there is another US telecom company, that has not had such a good performance, and that is Verizon. The company might not be as big in terms of market cap, but does have the similar low volatility, that is an important factor given the current market conditions.

Some risks that we pointed out before also apply now to this trade.

1. The companies are from two different regions, and any news that come out in Europe during the day, may have a big effect on VOD in US pre-market trading.
2. There can be more news flow from Europe this and next week, as the meeting of ECB is taking place on September 6, and the German court ruling on the ESM is expected to be out on September 12, while the major US event is only going to be the FOMC meeting on September 12-13. We, thus, risk having some initial losses from shorting VOD throughout this week, in case of some positive developments. However, the end of the week should bring the US job report and non-farm payrolls, that is also important, and lift the VZ shares.
3. Potential effects from the iPhone 5 sales starting later this month. A lot of wireless consumers have been on hold, waiting for the new iPhone, so they might rush to the stores as soon as it is out, and most likely, the initial positive effect will be for VZ. However, the iPhone in the US is heavily subsidized by the wireless service providers, so initially they can even lose money by buying a large quantity upfront from Apple. In Europe the subsidy is not that big, even despite the fact, that the phone is sold locked to the one carrier. The good thing, this is effect that will most likely only be seen later on in the earnings releases, which are not due anytime soon for both companies.
4. Another good point is that Verizon derives only 12% of the revenue from selling Samsung devices, so the recent Apple vs. Samsung court ruling and potential ban on sales of Samsung devices in the US will not have a very significant effect on the company's numbers.

Given all of the above, I think it is a fairly safe play given the low volatility, but the gains from this trade are likely to be limited as well.

Here are some more links to the current news:

<http://www.bloomberg.com/news/2012-09-04/vodafone-u-k-venture-with-telefonica-said-to-win-eu-approval.html>

<http://www.bloomberg.com/news/2012-08-24/vodafone-said-to-near-middle-east-partnership-with-zain.html>

<http://money.cnn.com/2012/07/24/technology/att-verizon-iphones/index.htm>

<http://thenextweb.com/apple/2012/07/24/att-activates-3-7-million-iphones-in-q2-73-of-its-total-smartphone-sales/>

<http://news.verizonwireless.com/news/2012/08/pr2012-08-23f.html>

What do you think?

Best,

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